

ASSEMBLY BILL

No. 2531

Introduced by Assembly Member Fuentes

February 19, 2010

An act to amend Sections 33020, 33021, 33440, 33444.5, and 33444.6 of, to add Section 33131.5 to, and to add Article 10.5 (commencing with Section 33427) to Chapter 4 of Part 1 of Division 24 of, the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2531, as introduced, Fuentes. Redevelopment: economic development.

(1) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be prepared, and approve a redevelopment plan for each project area. Existing law defines the term “redevelopment” for these purposes and specifies the scope of activities that the term includes.

This bill would include in the definition of the term “redevelopment” those activities that support the provision of employment opportunities and expand the scope of activities included in that term. The bill would additionally authorize the Redevelopment Agency of the City of Los Angeles, at the request of its legislative body, to prepare applications for, and execute, economic development programs, to accept public or private assistance, and to expend those funds for any economic development activities inside or outside a project area within the territorial jurisdiction of the agency. The bill would also authorize a redevelopment agency with a project area located within the Cities of

Healdsburg, Long Beach, Los Angeles, Oakland, or Signal Hill to provide assistance for establishment and maintenance of a small business incubator.

(2) Existing law authorizes an agency to construct foundations, platforms, and other structural forms necessary for the provision or utilization of air rights sites for buildings to be used for residential, commercial, industrial, or other uses contemplated by the redevelopment plan. An agency is also authorized to establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within the project area.

This bill would additionally authorize an agency to construct buildings for industrial or manufacturing purposes and small business incubators. The bill would expand the agency's programmatic authority by authorizing it to provide loans, financial guarantees, or other financial assistance to owners or tenants in a redevelopment project area for retaining or expanding employment in the project area, increasing energy efficiency of buildings in the project area, or for any other redevelopment purpose, as specified.

This bill would make legislative findings and declarations as to the necessity for a special statute.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 33020 of the Health and Safety Code is
2 amended to read:
3 33020. "Redevelopment" means the planning, development,
4 replanning, redesign, clearance, reconstruction, or rehabilitation,
5 or any combination of these, of all or part of a survey area, and
6 the provision of those residential, commercial, industrial, public,
7 or other structures or spaces as may be appropriate or necessary
8 in the interest of the general welfare, including recreational and
9 other facilities incidental or appurtenant to them, *activities that*
10 *support the provision of employment opportunities*, and payments
11 to school and community college districts in the fiscal years
12 specified in Sections 33681, 33681.5, 33681.7, 33681.9, and
13 33681.12.
14 SEC. 2. Section 33021 of the Health and Safety Code is
15 amended to read:

1 33021. Redevelopment includes:

2 (a) The alteration, improvement, modernization, reconstruction,
3 or rehabilitation, or any combination of these, of existing structures
4 in a project area.

5 (b) Provision for open-space types of use, such as streets and
6 other public grounds and space around buildings, and public or
7 private buildings, structures and improvements, and improvements
8 of public or private recreation areas and other public grounds.

9 (c) The replanning or redesign or original development of
10 undeveloped areas as to which either of the following conditions
11 exist.

12 (1) The areas are stagnant or improperly utilized because of
13 defective or inadequate street layout, faulty lot layout in relation
14 to size, shape, accessibility, or usefulness, or for other causes.

15 (2) The areas require replanning and land assembly for
16 reclamation or development in the interest of the general welfare
17 because of widely scattered ownership, tax delinquency, or other
18 reasons.

19 (d) *The construction, retrofit, lease, or use of facilities within*
20 *redevelopment project areas for industrial or manufacturing uses*
21 *and the provision or replacement of machinery and equipment in*
22 *those facilities, provided the construction, retrofit, lease or use,*
23 *or the products manufactured are intended to retain or expand the*
24 *number of persons employed in industrial or manufacturing jobs*
25 *and achieve any of the following:*

26 (1) *Reduce emissions of greenhouse gases.*

27 (2) *Increase the use of clean, renewable, or alternative energy.*

28 (3) *Increase energy efficiency.*

29 (4) *Increase the use of recycled and locally sourced materials.*

30 (5) *Increase efficiency in water, wastewater and stormwater*
31 *systems.*

32 (6) *Increase the efficiency of construction methods.*

33 (7) *Reduce demolition and construction-induced pollution and*
34 *waste material generation.*

35 (8) *Improve indoor air quality.*

36 (9) *Reduce building operation costs through increased operation*
37 *and maintenance efficiency.*

38 (10) *Reduce public infrastructure costs related to development.*

1 (e) *Job training, job placement, apprenticeship and*
2 *preapprenticeship programs, and services relating to construction*
3 *or to operations of businesses in project areas.*

4 (f) *Providing loans, loan guarantees, and other financial*
5 *assistance to property owners and businesses in a project area for*
6 *the construction, retrofit, lease or use of a facility described in*
7 *subdivision (d).*

8 (g) *Paying the cost of any of the services described in*
9 *subdivision (e).*

10 (h) *Providing loans, loan guarantees, and other financial*
11 *assistance to property owners and businesses in or relocating to*
12 *a project area to retain or expand employment in the project area.*

13 (i) *Assisting public agencies or private nonprofit corporations*
14 *to establish and maintain a small business incubator in a project*
15 *area. For purposes of this subdivision, “small business” shall*
16 *have the same meaning as defined in Section 11342.610 of the*
17 *Government Code.*

18 (j) *Marketing and promoting business and redevelopment*
19 *opportunities and cultural activities in project areas.*

20 SEC. 3. Section 33131.5 is added to the Health and Safety
21 Code, to read:

22 33131.5. In addition to authority otherwise provided in this
23 part, the Redevelopment Agency of the City of Los Angeles, at
24 the request of its legislative body, may do both of the following:

25 (a) Prepare applications for various state and federal grant
26 programs relating to economic development, plan and carry out
27 those programs and expend grant funds inside or outside any
28 redevelopment project area within the territorial jurisdiction of the
29 agency, and comply with any conditions of the program.

30 (b) Accept any other assistance from the state or federal
31 government or any public or private source, spend those funds for
32 any economic development activities inside or outside any
33 redevelopment project area within the territorial jurisdiction of the
34 agency, and comply with any conditions of that assistance.

35 SEC. 4. Article 10.5 (commencing with Section 33427) is
36 added to Chapter 4 of Part 1 of Division 24 of the Health and Safety
37 Code, to read:

Article 10.5. Small Business Development

33427. (a) In addition to any other authority granted under this part, an agency may, within a project area, for the purposes of redevelopment, assist public agencies or private nonprofit corporations to establish, construct, and maintain a small business incubator.

(b) In addition to any other authority granted under this part, an agency may, for the purposes of redevelopment, provide loan guarantees for small businesses located within a project area.

(c) For the purposes of this section, “small business” shall have the same meaning as defined in Section 11342.610 of the Government Code.

(d) This section shall apply only to a project area that is located within the City of Healdsburg, the City of Long Beach, the City of Los Angeles, the City of Oakland, or the City of Signal Hill. Any agency operating within one of those cities which uses the authority granted by this section shall separately identify those actions in the annual report to its legislative body prepared pursuant to Section 33080.1.

(e) No agency may amend a redevelopment plan to increase the tax increment revenue limit pursuant to Section 33333.2 or 33333.4 for the purpose of implementing this section.

SEC. 5. Section 33440 of the Health and Safety Code is amended to read:

33440. Except as provided in Article 9 (commencing with Section 33410), this part does not authorize an agency to construct any of the buildings for residential, commercial, industrial, or other use contemplated by the redevelopment plan, except that, in addition to its powers under Section 33445, an agency may construct foundations, platforms, and other like structural forms necessary for the provision or utilization of air rights sites for buildings to be used for residential, commercial industrial, or other uses contemplated by the redevelopment plan, *and may construct buildings for industrial or manufacturing purposes meeting the criteria set forth in subdivision (d) of Section 33021 and small business incubators.*

SEC. 6. Section 33444.5 of the Health and Safety Code is amended to read:

1 33444.5. An agency may establish a program under which it
2 ~~provides loans—funds, financial guarantees, or other financial~~
3 ~~assistance to owners or tenants in a redevelopment project area,~~
4 ~~for the purpose of rehabilitating any of the following purposes:~~

5 (a) *Rehabilitating* commercial buildings or structures within
6 the project area.

7 (b) *Retaining or expanding employment in the project area.*

8 (c) *Increasing energy efficiency of buildings in the project area.*

9 (d) *Any other redevelopment purpose specified in Section 33021.*

10 SEC. 7. Section 33444.6 of the Health and Safety Code is
11 amended to read:

12 33444.6. (a) Within a project area and as part of an agreement
13 that provides for the development—~~or~~, rehabilitation, *or use* of
14 property that will be used for industrial or manufacturing purposes,
15 an agency may assist with the financing of facilities or capital
16 equipment, including, but not necessarily limited to, pollution
17 control devices.

18 (b) Prior to entering into an agreement for a development that
19 will be assisted pursuant to this section, the agency shall find, after
20 a public hearing, that the assistance is necessary for the economic
21 feasibility of the development and that the assistance cannot be
22 obtained on economically feasible terms in the private market.

23 SEC. 8. The Legislature finds and declares that a special law
24 is necessary and that a general law cannot be made applicable
25 within the meaning of Section 16 of Article IV of the California
26 Constitution because of the unique circumstances, needs, and
27 challenges of the City of Healdsburg, the City of Long Beach, the
28 City of Los Angeles, the City of Oakland, and the City of Signal
29 Hill.